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Northern Pacific Ry. Co.	
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MANUFACTURERS HANOVER TRUST COMPANY, Trustee
By _____

SAINT PAUL & DULUTH RAILROAD COMPANY

-to-

CENTRAL TRUST COMPANY

of New York.

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SECOND MORTGAGE OR TRUST DEED

of August 3d, 1887,

SECURING \$2,000,000 SECOND MORTGAGE
FIVE PER CENT. BONDS,

Bearing Date October 1st, 1887, and
Due October 1st, 1917.

THIS INDENTURE, Made this third day of August, A.D. one thousand eight hundred and eighty-seven, between the SAINT PAUL AND DULUTH RAILROAD COMPANY, a corporation organized and existing under the laws of the State of Minnesota, party of the first part, and the CENTRAL TRUST COMPANY OF NEW YORK, a corporation organized and existing under the laws of the State of New York, party of the second part.

WHEREAS, The party of the first part is the successor of the Lake Superior and Mississippi Railroad Company, a corporation heretofore existing in said State of Minnesota under an act of the Legislative Assembly of the late Territory of Minnesota entitled an "Act to incorporate the Nebraska and Lake Superior Railroad Company," approved May 23, A.D. 1857, and especially under the provisions of an act of the Legislature of the State of Minnesota entitled "An act to amend an act to incorporate the Nebraska and Lake Superior Railroad Company," approved March 8, 1861, by which last named act, amongst other things, the corporate name of said company was changed to that of "The Lake Superior and Mississippi Railroad Company," which said last above named corporation, under said legislative acts, and the several acts amendatory thereof, was empowered to locate, construct, maintain, and perpetually operate and at pleasure to change the line thereof, a railroad with one or more tracks, or lines of rail, connecting the waters of Lake Superior with the Mississippi River, at St. Paul, in said State, with the right to extend the same to the Minnesota River, and also to construct a branch railroad from said line to the navigable waters of the St. Croix River, together with all proper stations, turnouts, depots, engines, cars and other appurtenances and furniture for a railroad, with power to acquire, by purchase or condemnation, all lands necessary or convenient for the purposes of said railroad, and to hold the fee-simple of all lands along the line of said railroad or otherwise granted by the Congress of the United States, or by said State of Minnesota to said corporation, for the purpose of aiding in the construction of said railroad, and to receive title thereto, and convey the same in fee-simple or otherwise under and in pursuance of said legislative acts, and the acts amendatory thereof, the said the Lake Superior and Mississippi Railroad Company did construct said line of railroad from St. Paul, in Ramsey County, to Lake Superior at Duluth in St. Louis County, in said State, a distance of one hundred and fifty-six (156) miles, more or less, and did acquire the right of way therefor, and other the lands, franchises, rights, privileges and premises in said legislative acts named, and the said last named company so owning said line of railroad, on the first day of January, 1872, sold and conveyed to the Northern Pacific Railroad Company a joint and equal undivided interest in that part of said line of said railroad between the junction of said Northern Pacific Railroad near Thomson, in Carlton County, in said State, and Duluth, in the County of St. Louis, to be used in common and jointly maintained by said Lake Superior and Mississippi Railroad Company and said Northern Pacific Railroad Company, and their respective successors and assigns, to all which said railroad property, lands, premises, franchises and immunities so held, conferred upon, or in any manner acquired, possessed or used by the said the Lake Superior and Mississippi Railroad Company, the party of the first part hereto, on the twenty-seventh day of June, A.D. 1877, became possessed and absolutely invested therewith, and as such successor, owns the same subject only to the said rights so as aforesaid, conveyed to said Northern Pacific Railroad Company, which said line of railroad the party of the first part hereto is lawfully entitled to possess, use, and perpetually operate, and to have and receive the tolls and earnings thereof.

AND WHEREAS, ALSO, The said party of the first part has, since it so acquired the said railroad and property of said Lake Superior and Mississippi Railroad Company, constructed a certain branch railroad, connecting with its said main line at or near the junction of said line with the railroad of the Northern Pacific Railroad Company, in Carlton County, in said State, and extending thence to Knife Falls, in said Carlton County, a distance of seven miles, more or less, which said branch line is connected with and operated in connection with said main line, and owns and lawfully possesses the same.

AND WHEREAS, The said party of the first part is the lessee of the railroad of the Stillwater and St. Paul Railroad Company, extending from the City of Stillwater, in Washington County, in said State, to a junction with said main line of railroad of said first party at White Bear Lake, in Ramsey County, aforesaid, a distance of thirteen and seven-tenths miles, more or less, with a right to use and operate the same for the term of nine hundred and ninety-nine years from and after January 1, 1871, which said leased railroad is possessed by said first party and operated in connection with said main line; and also the said party of the first part is also the assignee of a certain indenture of lease made by the Taylors Falls and Lake Superior Railroad Company to the Minneapolis and St. Louis Railway Company, corporations existing in said State, of the railroad of said Taylors Falls and Lake Superior Railroad Company, extending from a point of junction with the main line of said party of the first part hereto, at Wyoming, in Chisago County, to Taylors Falls, in said Chisago County, in said State, a distance of twenty-one miles, more or less;

AND ALSO, said party of the first part is the lessee of the railroad commonly known as the Minneapolis and Duluth Railroad, extending from the Mississippi River in the City of Minneapolis, to a junction with the main line of the railroad of the party of the first part hereto, near White Bear Lake, a distance of twelve miles, more or less, by indenture of lease bearing date July 5, 1883, executed by the Minneapolis and St. Louis Railway Company, a corporation existing in said State, the owner of said line of railroad, lessor, for the term of ninety-nine (99) years from said date; with the right of either party to terminate the same at the expiration of any three years after said 5th day of July, 1883, by giving to the other party at least one years notice in writing of such election, prior to the expiration of said any three years, the lessor to pay the lessee in case of such termination, the value of all betterments by it made upon said leased railroad or premises.

If such notice is given by said lessor, the lessee may elect within sixty days after such notice; and by the express provisions of said lease, the lessee (party of the first part hereto) may acquire a joint and equal interest in said railroad and appurtenances for the term of ninety-nine years thereafter, at a rental of three (3) per cent. per annum upon the then cash value of said railroad and appurtenances; to be ascertained by arbitration.

The rental payable under said lease is thirty-five (35) per cent. of the gross earnings of said line of railroad, less three (3) per cent. taxes, and certain switching charges to be deducted.

AND ALSO said party of the first part hereto is the owner and possessor of a certain other line of railroad extending from the said main line at the Village of Rush City, in the County of Chisago, in said State of Minnesota, to the Village of Grantsburg, in the County of Wisconsin, a distance of seventeen (17) miles, more or less.

Also said party of the first part hereto is a certain line of railway now being constructed, extending in a direct line of connection with its main line aforesaid in the County of Lincoln, in Section eight (8), Town forty-eight (48), Range (14), in the County of Charleston, extending thence northward to said main line, and to a connection with said main line near the Village of Oneota, in Section thirteen (13), Town forty-eight (48), Range fifteen (15), in the County of said lands, in said State, and extending thence eastwardly to the Point Nevia River; the said line being the most superior in the State of Wisconsin, a distance of about (12) miles, more or less, including the bridge over the said river; to be operated in connection with said main line between the points of connection.

The capital stock of said last named corporation is owned and held by the party of the first part hereto.

All of which said branch lines and leased lines and extensions, the said party of the first part hereto, operates in connection with its said main line, and as feeders thereto.

AND WHEREAS, the said party of the first part is fully authorized and empowered by law to locate and construct branch lines, roads, or lease the same, and to aid in the construction of existing railroads tributary to, or feeders of its said main line; and is expressly authorized and empowered to borrow money for the purposes aforesaid, or to be expended in the renewal, construction, repair, replacement, equipment, refurnishing, and providing facilities for the operation, maintenance, and business of said railroad, branches and leased lines, and to extinguish any indebtedness incurred in such construction, repairs, or replacements, and to issue its bonds therefor, and with full power to make and execute in its corporate name and deliver all such mortgages, deeds of trust, or other writings as the said company may deem necessary or expedient to secure the bonds so to be issued, upon the franchises, railroad and property aforesaid, now as aforesaid owned and held, or hereafter may be hereafter acquired. Which said power so to borrow money, issue bonds, and, as aforesaid, secure the same by mortgage or deed of trust is limited and only controlled by the following provisions of section eight, of article one of the Laws of the party of the first part, to wit: "No mortgage to be placed on the property (the railroad and property aforesaid) without the written consent of not less than two-thirds of the preferred stock then outstanding, and one-half of the common stock."

AND WHEREAS, the holders of more than two-thirds of the preferred stock now outstanding, and of more than one-half of the common stock of the party of the first part, have expressly assented in writing to the issuance of the bonds of the party of the first part, for the purposes aforesaid, to the amount in the aggregate of Two Million of Dollars, (\$2,000,000), and have in like manner assented to the creation of a mortgage upon the franchises and property aforesaid to secure the same.

AND WHEREAS, ALSO, At a meeting of the stockholders of the party of the first part, duly held on the twenty-second day of June, A.D. 1887, the stockholders aforesaid, for the purpose of procuring additional terminal facilities and tracks, and the reduction of grades and curves of said main line of railroad, and other improvements now necessary by reason of the rapidly increasing business of the company, by resolution, duly adopted, did advise and consent to the issuance of the bonds provided for in this instrument, and the execution and delivery of these presents to secure the same upon the said railroad and property of the party of the first part (except the lands granted by the Congress of the United States and State of

Minnesota to aid in the construction of said line of railroad, required, or to be acquired, and not used in connection with said railroad, and the proceeds of sales thereof as hereinafter provided (fully excepted), and subject to the joint interest of the Duluth and Pacific Railroad Company in that part of said line of railroad between the said junction in Carlton County and Duluth, in said County. And subject also to the lien of a certain mortgage of trust heretofore and on the first day of July, A.D. 1902, made by the party of the first part hereto, to said second part, upon the said line of railroad, branch and leased lines, right of way, franchises and property in said deed of trust particularly described and included, to secure the payment of the interest and principal of the bonds therein provided for and issued, to the amount of one million of dollars principal, as in and by said mortgage of trust will more fully and at large appear, reference being made thereto for greater certainty.

AND WHEREAS, the party of the first part has (deeming the same necessary and expedient) duly resolved to exercise the borrowing power upon it conferred by the laws of the State of Minnesota, and pursuant to the said express assent of its stockholders, and for the purposes aforesaid, in pursuance of a resolution duly passed on this behalf by its Board of Directors, has determined to issue the bonds of the party of the first part hereto, to be denominated "second mortgage five per cent. bonds," the said bonds not to exceed in the aggregate two million dollars (\$2,000,000), as aforesaid, in denominations of one thousand dollars each; and for the purpose of securing the payment of the same has duly directed its President and Secretary to execute in its corporate name, and under its corporate seal, and deliver to the party of the second part hereto, a deed or deed of trust, bearing the date of these presents, upon the said railroad, branch railroads, franchises, property and leasehold interests, rents and income of the same, hereinafter particularly set forth; and, whereas, each of said bonds or obligations is to contain the words and figures following, subject only to necessary variations as to the numbers thereof, each of said bonds being for the sum of one thousand dollars, to wit:

UNITED STATES OF AMERICA.

No. _____

\$1,000.

State of Minnesota.

Saint Paul and Duluth Railroad Company Second
Mortgage, Five Per Cent. Bond.

KNOW ALL MEN BY THESE PRESENTS, That the SAINT PAUL AND DULUTH RAILROAD COMPANY is indebted to the Central Trust Company, New York, or bearer, in the sum of one thousand dollars, lawful money of the United States of America, which indebtedness it promises to pay to the said Central Trust Company of New York, or to the bearer hereof, on the first day of October, one thousand nine hundred and seventeen at the office or agency of said railroad company in the City of New York, with interest thereon in the meantime, at the rate of five per cent. per annum, payable semi-annually on the first day of April and October of each year, at said office or agency, upon presentation and surrender of the annexed coupons as they severally fall due; and in case of default of the payment of any half yearly installment of interest which shall have become payable and shall

Have been demanded by presentation, at said office or agency in the City of New York, of the coupons therefor, and the continuing default for the period of six months after the maturity of said coupons, the principal of this bond shall become due to the bearer, and with the effect, and subject to the conditions provided in the mortgage or deed of trust securing payment of the same, and as herein mentioned. This is one of a series of bonds, all of like tenor, and effect, issued and to be issued, to an aggregate amount not exceeding two million of dollars, for the purpose of raising money for additional terminal facilities and tracks, and the regrading of the main line and curves of said main line of railroad, and other improvements necessary by reason of the rapidly increasing business of the said railroad. The payment of each and all the bonds of said series, together with the interest thereon, without reference to the time when said bonds shall be actually issued, is secured by a mortgage or trust deed, dated the third day of August, A.D. one thousand eight hundred and eighty-seven, duly executed by the said Saint Paul and Duluth Railroad Company to said Central Trust Company of New York, trustee, covering the railway of the said railroad company, constructed or to be constructed, or acquired by lease or otherwise, and generally all lands, tenements, appurtenances, property, revenues and franchises in said mortgage or deed of trust mentioned, reference to which is made for more certainty. This bond shall pass by delivery or by transfer on the books of said company in the City of New York, after a registration of ownership certified hereon by the transfer agent of said company.

No transfer upon the books of the company shall be valid unless the last transfer shall have been to bearer, and the transferability by delivery thereby restored; but this bond shall be subject to successive registrations and transfer to bearer as aforesaid, at the option of the holder. This bond shall not become obligatory until it shall have been authenticated by a certificate endorsed hereon, duly signed by the trustee, to the effect that the same is validly issued.

IN WITNESS WHEREOF, the Saint Paul and Duluth Railroad Company has caused its corporate seal to be hereto affixed, and the same to be attested by the signature of its President and Secretary, and has caused the coupons hereto annexed to bear the engraved fac-simile of the signature of its treasurer, on the first day of October, A.D. one thousand eight hundred and eighty-seven.

SAINT PAUL AND DULUTH RAILROAD COMPANY,

President

Secretary

FORM OF COUPON.

\$25.00

\$25.00

The SAINT PAUL AND DULUTH RAILROAD COMPANY will pay to the bearer, twenty-five dollars at its office or agency in the City of New York, on the _____ day of _____, A.D. _____, being six months interest due on that day, on its second mortgage bond dated October First, 1887.

P.C. _____

Treasurer

TRUSTEE'S CERTIFICATE.

This is one of a series of bonds, amounting in the aggregate to two million dollars issued by the Saint Paul and Duluth Railroad Company, secured by a mortgage on its line of road and other property in said mortgage mentioned, acquired and to be acquired, which has been duly executed and recorded; and this bond has been issued in accordance with the provisions of said mortgage.

CENTRAL TRUST COMPANY OF NEW YORK,
Trustee.

By _____
President

NOW THEREFORE, In consideration of the premises, and in consideration of the sum of one dollar, to the party of the first part duly paid by the Central Trust Company of New York, party of the second part, aforesaid, the receipt whereof is hereby acknowledged, and in the execution of the statutory powers in this behalf conferred by the Legislature of the State of Minnesota, and pursuant in all things to the terms and provisions of the resolutions of the stockholders and Board of Directors of the party of the first part duly adopted:

THIS INDENTURE WITNESSETH, That the said the SAINT PAUL AND DULUTH RAILROAD COMPANY hath granted, bargained, sold, and assigned, and by these presents doth hereby grant, bargain, sell, convey, assign, transfer, and set over to the said CENTRAL TRUST COMPANY OF NEW YORK, and successors in this trust, all and singular, the railroad of said party of the first part, being the line of railway extending from a point two hundred feet south of the intersection of the track of said railway with the center line of Third street, in the City of St. Paul, in Ramsey County, in said State, to Lake Superior, at Duluth, in said St. Louis County, in said State (subject to the joint interest of said the Northern Pacific Railroad Company in that part of said line of railroad from said point of junction in Carlton County to Duluth; and to the lien of said mortgage and deed of trust so bearing date July 1st, 1881, upon said main line, branch and leased line, and property therein described), together with all and singular the tracks, side tracks or lines of rail, right of way, depot grounds, and all lands and premises used in connection with the operation and maintenance of said railroad, or necessary or convenient therefor, now owned, held or possessed by the party of the first part, or that may hereafter be acquired, and all tracks, bridges, viaducts, culverts, fences, and other structures, all depots, station-houses, engine-houses, car-houses, wood-houses, freight-houses, all machine and other shops, fixtures, or property now held, owned, or possessed by said first party, or that may be hereafter constructed, provided, or acquired, in connection with or in anywise pertaining to said railroad, or branch or leased railroads, of the said party of the first part, and also said branch railroad extending from said Northern Pacific Junction to Knife Falls, in said County of Carlton, with the right of way, grounds, buildings, tracks, side tracks and all and singular the fixtures and appurtenances connected therewith or now held, owned or possessed by said party of the first part, or that may hereafter be acquired; and all and singular the rights, property, leasehold estate, right, title and interest of said party of the first part in or to the said leased railroad extending from said junction, at or near White Bear Lake, to Stillwater, in said State, and also the leasehold estate and interest, right, and title of the said party of the first part hereto as assignee of said lease of the railroad of said Taylors Falls and Lake Superior Railroad Company, extending from said junction, at Wyoming, in said Chisago County, to Taylors Falls, together with the ways, right of way, depots, shops, structures, and all and singular the property, fixtures, structures,

and appurtenances of every kind pertaining to said leased line, or that may be hereafter acquired, also hereby assigning and setting over to the said party of the second part, its successors and assigns, all and singular the rights, privileges, leasehold estate and interest of said party of the first part hereto in or to the said leased line of railroad extending from the Mississippi River in the City of Minneapolis in the County of Hennepin, to a point of connection with the main line of the railroad of said first party near White Bear Lake in the County of Ramsey in said State, hereinbefore particularly described, together with all the rights, privileges, property and estate, held or possessed, or to be acquired under said indenture of lease: And also hereby selling, assigning, conveying and setting over to said party of the second part hereto, its successors and assigns, the said line of railroad extending from said point of junction in the Village of Rush City in the County of Chicago in said State of Minnesota, to the Village of Grantsburg in the County of Burnett, in the State of Wisconsin, a distance of seventeen (17) miles, more or less, together with the tracks, side tracks, rights of way, depots, depot grounds, buildings, structures and property connected therewith, or pertaining thereto, held or possessed, and that may be hereafter acquired, together with all franchises, rights, privileges, and property connected with or pertaining to said line of railroad: And also hereby assigning, conveying and setting over to said party of the second part, its successors and assigns, all and singular the leasehold estate and interest of said party of the first part hereto, in or to the said line of railroad of the said "Duluth Short Line Railway Company," acquired or to be acquired, under or by virtue of the said indenture of lease so bearing date the first day of September, A.D. 1896, together with the bridge over the Saint Louis River, and all and singular the lands, yards, tracks, side-tracks, docks, wharves and other structures pertaining thereto, constructed and to be constructed, together with all rights, property, franchises, and privileges connected therewith, which said leased railroad and property is heretofore more particularly described, reference thereto being had for greater certainty: And including herein also, and hereby conveying to the said party of the second part, all locomotives, tenders, cars, and other rolling stock or equipments, and all machinery, tools, implements, fuel, supplies, and materials for constructing, maintaining, operating and repairing the said main, branch and leased lines of railroad, and each of them now used, owned, acquired, or to be acquired; and any and all of the equipments, and appurtenances thereof, or of any part thereof; and including, also, all revenues, rents, tolls, sums of money, earnings and income arising or to arise from said railroad, branch and leased railroads, and each and all of them, and from the premises herein conveyed; and also all corporate and other franchises including the franchise to be a corporation, rights, privileges and immunities now owned, held, or enjoyed by the said party of the first part hereto or that it may at any time hereafter acquire, connected with its said railroad, branch or leased lines of railroad, expressly excepting, however herefrom, all lands heretofore granted by the Congress of the United States and by the State of Minnesota to aid in the construction of said lines of railroad or either of them, acquired by the said Lake Superior and Mississippi Railroad Company, and to which the party of the first part hereto, as such successor, has acquired right, title, or to which it may hereafter acquire title; and also excepting and reserving herefrom the rents, profits, and proceeds of all said lands, congressional and swamp so granted, now owned by said first party, or that may be hereafter acquired under said several grants, and all sums or amounts due or to become due for stumpage or sales of said lands, or any of them, or for or on account of trespasses committed thereupon, and also all bonds, contracts, mortgages, notes, bills, or other obligations incurred by reason of the sales of parcels of said lands, or for stumpage or timber thereon, and also excepting and reserving herefrom all lands earned or acquired by the said Stillwater and St. Paul Railroad Company under a grant of the Congress of the United

States to aid in the construction of said line of railroad, and to which said last named company, or to the party of the first part hereto, has right or title. Hereby conveying, however, to said party of the second part, as aforesaid, such parts and portions of said Congressional and State lands so as aforesaid reserved and excepted as comprise any portions of the right of way, depot grounds, yards and premises necessary, convenient, used or occupied, or acquired, to be used or occupied, for the purpose of said railroads, or either of them, and all structures thereupon, with the appurtenances.

TO HAVE AND TO HOLD, All and singular the above named and described railroad and branch railroads, rolling stock, franchises, and other property, leasehold interest, and all the premises, property, franchises, rights, and privileges heretofore expressed, to be conveyed, with the appurtenances, unto and to the use of said Central Trust Company of New York, and its successors in said trust, according to the nature, tenor, and quality thereof, respectively, upon and for the trusts, intents and purposes hereinafter expressed of and concerning the same. And for the further carrying into effect the conveyances hereinafter expressed to be made, the said party of the first part does hereby appoint the said Central Trust Company of New York, and its successors in said trust, the attorney and attorneys of the party of the first part, to ask and receive payment and delivery of all and every the sums of money, goods, chattels, and effects hereinbefore expressed to be assigned and transferred, and to give effectual releases and discharges, and for all or for any of the purposes aforesaid, or of this instrument to appoint an attorney or attorneys, an agent or agents, and from time to time to revoke such appointment, and to use the name of the party of the first part, and generally to act in relation to the premises as it shall think fit.

AND IT IS HEREBY AGREED AND DECLARED, That the said Central Trust Company of New York, and its successors for the time being in said trust, respectively, shall stand possessed of and interested in all and singular the premises hereinbefore expressed to be conveyed upon and for the trusts, intents and purposes, and subject to the powers and conditions following, that is to say:

ARTICLE FIRST.- Until the party of the first part, or its successors, shall make default in the payment of the principal or interest of the said bonds, or some or one of them, according to the tenor thereof, or of the coupons thereto annexed, at the time or in the manner appointed for the payment thereof, or shall make default or breach in the performance or observance of any other condition, obligation, or requirement by the said bonds, or by the present deed imposed on said party of the first part, or its successors, in reference to the said bonds, the said Central Trust Company of New York, and every other trustee, from time to time, of these presents (hereinafter referred to as "the said Trustee," shall permit and suffer the said party of the first part, and its successors, to possess, manage, operate, and enjoy the said railway, with its equipments and appurtenances, and other the lands, premises, property and franchises hereinbefore described as conveyed hereby, and to receive, take, and use tolls, incomes, revenues, rents, issues and profits thereof, in the same manner and with the same effect as if this deed had not been made.

ARTICLE SECOND.- If and whenever the party of the first part, or its successors, shall make any default in the payment, as mentioned in the last preceding article, upon any of the said bonds or the coupons belonging thereto, and such default shall continue for the period of six months; or if and whenever the party of the first part, or its successors, shall make default or breach in the performance or observance of any such other condition, obligation or requirement as mentioned in the last preceding article, and such

said mentioned default shall continue for the period of six months, then, and in either of such cases, it shall be lawful for the said trustee to enter into and upon, and to take and possess, all and singular the railway, and all the premises heretofore expressed to be conveyed, or any of them, or any part or parts thereof, respectively, and to have, hold, and use the same, and work and operate, by its superintendents, managers, receivers, or servants or other attorneys or agents, the said railway and to conduct the business thereof, and to make, from time to time, such repairs and replacements, and such useful alterations, additions and improvements thereto as may seem to it to be judicious or convenient, and to collect or receive all tolls, freights, incomes, revenues, rents, issues, and profits of the said railway and premises, and of every part and parcel thereof; and after deducting and defraying the expenses of working and operating the said railway, and conducting the business thereof, and of all the said repairs, replacements, alterations, additions, and improvements, and all payments which may be made for charges or liens of any kind prior to the lien of these presents, and other expenses and outgoings whatsoever incurred in relation thereto, as well as just compensation for its own services and for the services of such attorneys and counsel and all other agents and persons as may have been by it employed, the said trustee shall apply the monies arising from such collection and receipt aforesaid in or towards the payment of interest on the said bonds, in the order in which the said interest shall have become due, ratably to the persons holding the coupons evidencing the right to such interest; and after paying all interest coupons which shall have become due, shall apply the residue of the said moneys in or towards the payment of the principal of such of the said bonds as may be at that time outstanding and unpaid, ratably and without discrimination as to persons; and if, after satisfaction thereof, a surplus shall remain, it shall pay over such surplus to the said party of the first part, its successors or assigns, or as any court of competent jurisdiction shall order; provided, nevertheless, that if the said trustee shall think it inexpedient, after such entry as aforesaid, to work and operate the said railway and premises in the manner aforesaid, it shall be lawful for it to demise and let the said railway and premises (subject, however, to the provisions hereof) to any person or persons, corporation or corporations, willing to work and operate the same, for such term or period, at such rent or proportion of receipt and profits, and generally upon such terms and conditions as the said trustee shall, in its discretion, think fit, and the said trustee shall apply the revenue or income to arise from such demise or letting in the same manner as the net revenue or income to arise in the event of the said railway and premises being worked and operated by the said trustee is applicable under the provisions immediately hereinbefore contained.

ARTICLE THIRD.- In case any such default shall be made as aforesaid, in the payment of the principal or interest of said bonds, and shall continue as aforesaid, it shall likewise be lawful for the said trustee, either after such entry, as aforesaid, or other entry, or without entry, by its attorneys or agents, to sell and dispose of all and singular the premises and property hereby conveyed, or any part thereof, at public auction, in the City of New York, and State of New York, or in the City of St. Paul and State of Minnesota, in the discretion of said trustee, at such time as it may appoint, first giving notice of said sale, and of the time, place and terms thereof, by advertisement for the term of four weeks in some daily newspaper published in said City of New York, and also in some daily or weekly newspaper published in said City of St. Paul. The sale of said property shall be for cash, either wholly payable in hand or one-third in hand and the balance in two annual installments, with interest, as the trustee may deem advisable. The proceeds of sale shall be applied first in payment of expenses connected with said

sale and trust, including the compensation of the trustee and all charges incurred by it as such trustee; and, secondly, in payment of the unpaid interest and principal of the said several bonds, equally and without discrimination as to persons; and if after selling in full said bonds and coupons, there shall be any money remaining in the hands of said trustee, it shall pay the same to the party of the first part, its successors or assigns. The said trustee shall have power to adjourn said sale from time to time, at its discretion; and if adjourned to another date it may make said sale at the time appointed without further notice by advertisement; and said trustee shall have power to make and deliver to the purchaser or purchasers at said sale good and sufficient deeds of conveyance of the property sold. And it is further declared and agreed that the receipt of said trustee shall be a sufficient discharge to the purchaser or purchasers of the premises which shall be sold as aforesaid for his or their purchase money, and such purchaser shall not, after the payment of such purchase money, be liable to see to its application upon or to the purposes or trusts of these presents, or to be in any manner answerable for any loss, misapplication, or non-application of such purchase money, or any part thereof, or to be obliged to inquire into the necessity or expediency of or for any such sale; provided, however that no sale shall be made by said trustee as aforesaid except upon demand of the holders of not less than two hundred of the said bonds then outstanding; and, even in the event of such demand, no sale shall take place if the holders of a majority of all the bonds then outstanding shall, by themselves or by their attorneys in fact, file with said trustee a written instrument objecting to such sale.

ARTICLE FOURTH.- In case the party of the first part, or its successors, shall make default in payment of any interest or any of the said bonds, according to the tenor thereof, or of the coupons thereto annexed (the payment of interest having been demanded by presentation at the company's office or agency in the City of New York of the coupons therefor), and such default shall continue for the period of six months after such demand, then and thereupon the principal of all of said bonds shall at the election of said trustee, to be signified to the party of the first part, or its successors, by the said trustee, in writing, become immediately due and payable; provided, nevertheless, that at any time after such default shall have been made, and have continued as aforesaid, and before the actual payment of the principal, it shall be lawful for a majority in interest of the holders of the said bonds for the time being to direct the trustee either forthwith to exercise its said power of declaring the principal of said bonds due and payable, or to waive the exercise of the said power (if unexercised) or to withdraw and annul the exercise thereof (if exercised), either absolutely or with the consent of the party of the first part, or its successors, and to direct the said trustee to dismiss any suit brought against said company upon any bond secured by this mortgage; and release and discharge any judgment or decree obtained thereon, on such terms as may be directed by the said majority, by the same instrument; provided, nevertheless, that no action taken by the said trustee or by the bondholders under this article shall prejudice or effect the powers or rights of the said trustee, or of the bondholders, in the event of any subsequent default.

ARTICLE FIFTH.- It is hereby declared and agreed that it shall be the duty of the said trustee to exercise the power of entry hereby granted, or the power of sale hereby granted, or both, or to proceed by suit, or suits, in equity or at law, to enforce the rights of the bondholders in the several cases of default on the part of the party of the first part, or its successors herein specified, in the manner and subject to the qualifications herein expressed, upon the requisition of bondholders as herein prescribed, as follows:

[illegible]

Second--- If the party of the first part, or its successors, shall make default or breach in the performance or observance of any other condition, obligation, or requirement by the said bonds, or if this present deed imposed on the party of the first part, or its successors, then, and in such case, the trustee shall, upon a reasonable notice in writing, in manner aforesaid or not less than one-month in advance of the bondholders for the time being, and upon a proper demand, satisfaction by such applying bondholders of said trustee against the bonds and expenses to be by it incurred, enforce the rights of the bondholders under these presents, in the manner by the first article of this article provided, subject to a power in such majority of the time to direct in manner aforesaid the said trustee to waive such default or breach upon reparation therefor to the satisfaction of such majority being made. And it is hereby provided that no action shall be brought or prosecuted by the said trustee, under this clause, shall prejudice or in any manner affect the powers or rights of the said trustee or of the bondholders in the event of any subsequent default or breach.

[illegible]

ARTICLE SEVENTH.- The said trustee shall have full power and discretion, upon the written request of the said party of the first part, to convey, by way of release or otherwise, to the person or persons, corporation or corporations, designated by the party of the first part, any lands acquired or held for the purposes of stations, depots, or other building, and shall also have power to convey as aforesaid, on like request, any lands or property which in the judgment of the trustee, shall not be necessary for use in connection with the said railway, or which may have been held for the supply of fuel, gravel, or other material; and also to convey as aforesaid, on like request, any lands not occupied by the track, which may become disused by reason of a change of the location of any station house, depot, shop, or other building connected with the said railway, and such lands occupied by the tracks thereof, and adjacent to such station house, depot, shop, or other building as the said party of the first part may deem it expedient to disuse or abandon by reason of such change, and to consent to any such change; and to such other changes in the location of the track or depots, bridges, or other buildings, wharves or structures, as in its judgment shall have become expedient, and to make and deliver the conveyances necessary to carry the same into effect. And the trustee shall also have full power to allow the party of the first part, from time to time, to dispose of, according to its discretion, such portion of the equipment, machinery, and implements at any time held or acquired for the use of the party of the first part, as may have become unfit for such use, replacing the same by new, and all the property acquired for replacing any of the property conveyed under the provisions of this article shall immediately be and become, without any other act or conveyance upon the part of the party of the first part, subject to the operation and lien of these presents.

ARTICLE EIGHTH.- Subject to the security hereby created for the due payment of the said bonds, and the principal moneys and interest thereon, and for the performance and observance of the conditions, obligations, and requirements thereby, or by the present deed imposed on the party of the first part and its successors, said trustee shall stand possessed of all and singular the premises hereinbefore expressed to be conveyed, and the property and effects for the time being representing the same, in trust for the party of the first part, its successors and assigns; and upon and immediately after the due completion of every such payment, and the due performance and observance of every such condition, obligation and requirement, said trustee shall reconvey all and singular the said premises, property, and effects to the party of the first part, its successors and assigns, or as they shall direct.

ARTICLE NINTH.- It is mutually agreed, by and between the parties hereto, that the expression "the said trustee" and "the trustee," as used in these presents, shall be construed to mean the trustee for the time being; and it is mutually agreed, by and between the parties hereto, that every trustee of these presents shall be entitled to the ordinary indemnity and right to re-imbursement given to trustees, and shall not be answerable for any error or mistake made by it in good faith, but only for gross negligence or willful default in the discharge of its duties as trustee; and, also, that every such trustee shall be entitled to just compensation for all services which it may hereafter render in this trust, to be paid by the party of the first part, or its successors, out of the income of the trust property; and for that purpose it may at any time apply to any court of competent jurisdiction, without notice, except to the party of the first part, or its successors; and in the event of the resignation, declination or inability to act, of the said trustee, or any trustee of these presents, it shall be the duty of the party of the first part to give notice to the bondholders, by advertisement, for four successive weeks, in some daily newspaper published in the Cities of St. Paul and New York, of the time and

11. WITNESSES WHEREOF, The said party of the first part, Plaintiff Paul and Edwath Railroad Company has caused these presents to be signed by its President, sealed with its corporate seal, and countersigned by its Secretary, and the said Central Trust Company of New York, has to testify its acceptance of said trust, likewise caused the same to be signed by its Second Vice-President and Secretary, and sealed with its corporate seal, the 14th day and year first above written.

BY WILLIAM H. FISHER,
President.

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and company for the uses and purposes therein expressed, and
 that said William C. Fisher and Philip C. Harris, being by me
 duly sworn, did depose and say that they are respectively
 President and Secretary as hereinbefore stated, of said railroad
 company; that they know the corporate seal of said company; that
 the seal affixed to the foregoing instrument is the corporate
 seal of said railroad company; that it was affixed thereto by
 order of the board of directors of said corporation, duly made,
 and with the assent as therein stated of its stockholders; and
 that they signed their respective names thereto as such President
 and Secretary by the like order.

IN WITNESS WHEREOF, I have hereunto set my hand and
 affixed my Notarial Seal at the City of St. Paul, in said County,
 on and year last above written.

J. A. SPANSON,

(NOTARIAL)
 (SEAL)

Notary Public,
 Ramsey County, Minnesota.

WITNESSES:
 (City and County of New York.)

On this eighteenth day of August, A.D. 1887, before
 me, undersigned, a Notary Public within and for the City and
 County of New York aforesaid, duly commissioned and qualified
 to take the acknowledgements of debts, mortgages and other
 instruments, personally came E. Francis Lyde, 2nd Vice-President
 and C. H. P. Babcock, Secretary, of the Central Trust Company
 of New York, to me known to be such President and Secretary,
 who severally acknowledged the above and foregoing to be their
 voluntary act and deed as such officers, and that the same is
 the act and deed of said corporation, and the said E. Francis
 Lyde, 2nd Vice-President, and C. H. P. Babcock, Secretary, being
 first duly sworn, depose and say, that the seal affixed
 to the foregoing instrument, purporting to be the corporate seal
 of said company, is the corporate seal thereof, and that the
 same was so affixed by authority of said corporation.

IN WITNESS OF ALL WHICH, I hereto set my hand and
 affixed my Notarial Seal at said City and County of New York, the day and
 year last above written.

CHARLES EDGAR LEE,

(NOTARIAL)
 (SEAL)

A Notary Public for New York County
 in New York.

STATE OF MINNESOTA,
 Department of State.)

I hereby certify that the within instrument was filed
 for record in this office on the 14th day of September, A.D.
 1887, at 3 o'clock P.M., and was duly recorded in Book 4 of
 Gen'l Railroad Records, on pages

H. MATSON,
 Secretary of State.

No. 28321.

STATE OF MINNESOTA,)
 : ss
County of Ramsey.)

Office of the Register of Deeds.

This is to certify that the within instrument was filed for record in this office, at St. Paul, on the 16 day of Sept., A.D. 1887, at 10:35 o'clock A.M., and that the same was duly recorded in Book 169 of Mortgages, page 1 to 21 inclusive.

(SEAL)

H. J. ELL, Register of Deeds.

No. 1901.

REGISTER'S OFFICE,)
 : ss
Washington County, Minn.)

I hereby certify that the within instrument was filed in this office for record on the 17 day of Sept., A.D. 1887, at 11 o'clock A.M., and was duly recorded in Book 2 of Mortgage, on page 225, &c.

(SEAL)

W. R. LINNICK, Register of Deeds.

No. 10707.

OFFICE OF REGISTER OF DEEDS,)
 : ss
County of Saint Louis.)

I hereby certify that the within mortgage was filed in this office for record on the 21st day of September, A.D. 1887, at 10 o'clock A.M., and was duly recorded in Book R of Mortgages, page 445, &c.

(SEAL)

FRANK MARK, J., Register of Deeds.
By M. P. Gearhart, Deputy.

No. 313.

STATE OF MINNESOTA,)
 : ss
County of Carlton.)

Office of Register of Deeds.

I hereby certify that the within mortgage was filed in this office for record on the 20 day of September, A.D. 1887, at 8 o'clock A.M., and was duly recorded in Book "C" of Mortgages, on page 323, &c.

(SEAL)

W. T. HARKER, Register of Deeds.

No. 418.

OFFICE OF REGISTER OF DEEDS,
County of Pike, Mo.)

I hereby certify that the within certg. deed was filed
in this office for record on the 30th day of Sept., A.D. 1887,
at 12 o'clock -M., and was duly recorded in Book 10 of Deeds,
Page 362, &c.

J. H. HOLLEY,
Register of Deeds.

No. 432.

OFFICE OF REGISTER OF DEEDS,
Chicago County, Minnesota.) ss

I hereby certify that the within instrument was filed
in this office for record on the 30th day of Sept., A.D. 1887,
at 12 o'clock -M., and was duly recorded in Book 1 of Deeds,
Page 336, &c.

ALBERT HING,
Register of Deeds.